

Business proposals suggested

By Yelena Yurkyavichene

Belarusian businessmen present joint projects to Lithuanians and Poles at Vilnius Business Forum

The Belarusian Universal Commodity Exchange has proposed the setting up of e-trade in Belarusian goods. The Chairman of Minsk Capital Association of Entrepreneurs and Employers, Vladimir Karyagin, explains, "An entrepreneur would be able to operate via the Belarusian Universal Commodity Exchange, while working remotely from their office." Many projects dealing with construction and high-tech goods have been proposed at the forum. Belarus was represented in Vilnius by delegates from the construction and transport industries, as well as those from tourist companies and hotels. Such meetings aim to establish new business contacts — finding partners, while exchanging ideas, technologies and experience.

Credits will find recipients

By Natalia Verbitskaya

Russian experts develop Microfinance Development Concept for Belarus

Those responsible for preparing proposals for the Microfinance Development Concept have met representatives from interested state agencies. The National Bank is working with the UNDP on the project, to be realised by 2010. Sergey Lugovtsov, the Head of the Project Financing Department of the National Bank's International Operations Directorate, tells us that the best ideas are to be elaborated, alongside basic approaches, upon the completion of this work, to become the basis for a microfinancial organisation.

The European Bank for Reconstruction and Development's credit line for small and medium-sized enterprises is the first step along this path. The programme operational since 2001 has already supported over 3,000 business plans.

Additional advantages of transit traffic

By Yelena Solonenko

Belarusian landline communications monopolist Beltelecom and Russian telecommunications company Synterra announce connection of networks

Collaboration regarding a trans-border fibre optic bridge has now been successfully completed, following much hard work last year. The telecommunication networks previously ended each side of the border. Its initial capacity is 2.5Gb/s but is being expanded. Belarus should be able to join the global telecommunications network in time, receiving additional possibilities for transit traffic.

Dollar giving way to rouble

The sense behind the state's move away from reliance on the US dollar is becoming more evident

By Vladimir Likhovtsev

Already, interest rates for foreign currency deposits are falling and Belarusian customs officers are no longer allowed to fine in a foreign currency. The National Bank's 'crusade' on American dollars could soon lead to another initiative — taxes and payments (traditionally pegged to dollars or euros) could be purely calculated in Belarusian roubles. Even imported oil, gas, coal and electricity may soon have to be paid for in the domestic currency, sparking ever more drastic changes.

The National Bank plans a series of actions as part of its 'dedol-



ALEXANDER RUZHECHKA

Currency exchange kiosks first to reflect trend in falling US dollar rate

larisation' programme. A stricter approach is planned for licence issuing to transport and by-road service organisations (including fuelling stations and Belarusian Railways); these may soon have to make the move to rouble payments. The Head of the National Bank's Information Department, Anatoly Drozdov, sincerely wonders why Belarusians tend to calculate their income and expenses in US dollars. "It may just be habit — since the dollar has been a key currency for two decades. However, since early 2009, the Belarusian rouble's exchange rate has been pegged to a basket of currencies (rather than the American dollar alone); this

envisages a different formula," he stresses.

Evidently, the Belarusian rouble rate is keeping its balance via the basket of currencies, even when it is falling against the American dollar. "At the same time, the Belarusian rouble's two-sided rate against the currencies in the basket is determined, mainly, by global market fluctuations," National Bank staff explain.

It's not yet clear how 'dedollarisation' will develop in Belarus. Bankers are already worrying that the National Bank could rule out even limited use of the US dollar in Belarus and there are rumours that interest on foreign currency deposits

may be paid in Belarusian roubles soon. Of course, such a move would only be fair. Most dollar savings appeared in late 2008-early 2009, when people were converting their roubles into dollars. The ratio of rouble and dollar deposits has now changed, while the total currency amount in banks remains unchanged. Meanwhile, people tend to calculate in this foreign currency even though the cash circulation of the US dollar in Belarus is negligible. Dollar operations are prohibited when purchasing goods and services. In fact, dollars are only needed to 'feed' the gray market which accepts them as the most popular currency.

'Carmen' heads to Venezuela

Large batch of Belarusian machinery delivered to Venezuela



Belarusian tractors loaded at Klaipeda port for shipment to Venezuela

By Dmitry Alfer

On festive Independence Day, Lithuania's Klaipeda port was busy. Local employees were astonished by the grand size (200m) of the tied up vessel and the cargo which was to be loaded onto it. Workers of the port were packing the hold with Belarus-made machinery — including 490 tractors from Minsk Tractor Works, 50 MAZ dump trucks and tank-cars, and a range of components. All were heading for remote Venezuela, adapted to suit its climatic conditions. Co-operation with Belarusian industrialists is firmly established but this was the largest order so far.

...Near midday, the 'Carmen' cargo ship set off, leaving port staff

puzzled; they know that such ships carry the largest international orders — so why had it come to the Lithuanian port? The answer was simple — this was the first major delivery of Belarus-made machinery to a remote destination and Belarus had gained the right to be loaded first, with the ship only then heading to other states' terminals to continue filling the hold.

Krafttrans won the tender to transport Belarusian tractors and dump trucks to Venezuela. The Head of its Mixed Transportation Department, Sergey Bogdanovich, tells us that it's a unique experience for his organisation but that they have found success by working as a team with everyone in the transport network. Never before have such

grand orders been placed.

Venezuela has ordered over a thousand machines from Minsk Tractor Works, which are to be delivered in two loads (easier logistically). The first batch was dispatched in February from a Belgian port (already received by Venezuela) and, several weeks later, the second batch left from Klaipeda. Mr. Bogdanovich tells us that more than one port battled to win the tender to take on the shipment, with the Lithuanian port chosen for its convenient transport connection.

Belarusian-Venezuelan co-operation between producers and carriers will continue and, if the tractors work well in their new home, 'Carmen' may yet revisit to take more Belarusian machinery on board.

New sales markets available

By Valery Sidorchik

Over the last three months, Gomel region enterprises have expanded their sales to include an additional 18 countries — among them, Libya, Cote d'Ivoire, Ethiopia, Senegal and Paraguay

The enterprises have also entered the markets of Oman, Saudi Arabia and Israel, while negotiations are being held with partners from several other countries which have not yet traded with Belarus.

The Gomel region now trades with over 100 states worldwide, much inspired by fewer exports being sold to Russia and Ukraine. Many traditional CIS partners have financial problems, limiting their opportunity to purchase Belarusian goods, so diversified markets are the way forward. The Governor of the Gomel region, Alexander Yakobson, notes that, unfortunately, progress has been slow. Trade losses (generated by decreased sales to neighbouring countries) are yet to be recouped.

Mr. Yakobson is concerned that marketing specialists are not always able to conduct adequate research into potential foreign markets but a range of practical measures has been developed to speed up the development of marketing infrastructure in the region.